

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

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|---------------------------|---|-------------|
| UNITED STATES OF AMERICA | : | |
| | : | |
| v. | : | 1:17CR413-1 |
| | : | |
| SHANNON DEWAYNE PATTERSON | : | |

FACTUAL BASIS

NOW COMES the United States of America, by and through Sandra J. Hairston, Acting United States Attorney for the Middle District of North Carolina, and as a factual basis under Rule 11, Fed. R. Crim. P., states the following:

1. Between in or around 2006 and in or around 2016, SHANNON DEWAYNE PATTERSON (“PATTERSON”) was an attorney licensed to practice in the State of Georgia.
2. Between in or around January 2015 and in or around December 2016, PATTERSON resided in Winston-Salem, North Carolina.
3. From in or around January 2015 through in or around May 2015, SHANNON DEWAYNE PATTERSON co-owned and operated a tax return preparation business named Fast Tax of Salisbury in the city of Salisbury, in the County of Rowan, in the Middle District of North Carolina.

4. From in or around January 2015 through in or around May 2015, SHANNON DEWAYNE PATTERSON co-owned and operated a tax return preparation business named Fast Tax of Kannapolis in the city of Kannapolis, in the County of Cabarrus, in the Middle District of North Carolina.

5. Between in or around January 2015 and in or around May 2015, PATTERSON aided and assisted in the preparation and filing of numerous individual income tax returns which reported false and fraudulent claims and deductions for business income and losses, tax refunds, and other items.

6. Between in or around January 2015 and in or around May 2015, PATTERSON employed several individuals to prepare clients' tax returns at the Fast Tax of Kannapolis and the Fast Tax of Salisbury locations.

7. At the beginning of the 2015 filing season, PATTERSON held classes to train his employees on the preparation of tax returns. During these classes, and at other times, PATTERSON instructed his employees to manipulate the information on the clients' tax returns to maximize the clients' tax refunds. PATTERSON employed C.M. at the Fast Tax of Salisbury location, and instructed C.M. to enter false information on clients' tax returns in order to maximize the clients' tax refunds.

8. On or about January 21, 2015, within the Middle District of North Carolina, SHANNON DEWAYNE PATTERSON did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the IRS,

of a 2014 U.S. Individual Income Tax Return, Form 1040, in the name of K.M. C.M., acting at the instructions of PATTERSON, prepared the tax return for K.M. and falsely reported one or more material matters, including that K.M. was entitled under the provisions of the Internal Revenue laws to claim business income on Line 12 of Schedule C in the amount of \$8,000, and to claim a tax refund in the amount of \$3,671 on Line 76a of Form 1040.

9. Between in or around January 2015 and in or around May 2015, PATTERSON aided and assisted in the preparation and presentation of false and fraudulent returns causing a tax loss of approximately \$60,800.

10. On or about April 12, 2015, PATTERSON willfully made and subscribed a 2014 U.S. Individual Income Tax Return, Form 1040, which was verified by a written declaration that it was made under the penalties of perjury and filed with the IRS, which tax return the defendant did not believe to be true and correct as to every material matter in that the tax return reported total income on line 22 as \$31,009, whereas he then and there well knew and believed, his total income was greater than the amount reported.

11. On or about April 2, 2016, PATTERSON made and subscribed a 2015 U.S. Individual Income Tax Return, Form 1040, which was verified by a written declaration that it was made under the penalties of perjury and filed with the IRS, which tax return the defendant did not believe to be true and correct as to every material matter in that the tax return reported total income

on line 22 as \$63,671, whereas he then and there well knew and believed, his total income was greater than the amount reported.

12. The actions of PATTERSON recounted above were in all respects voluntary, knowing, deliberate, and willful, and were not committed by mistake, accident, or any other innocent reason.

This the 9th day of November, 2017.

Respectfully submitted,

SANDRA J. HAIRSTON
Acting United States Attorney

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I hereby certify that on November 9, 2017, the foregoing was electronically filed with the Clerk of the Court using the CM/ECF system to notify:

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